

DECLARATION OF SHANNON BRYANT

1. My name is Shannon Bryant, and I am over the age of nineteen (19) years. I am African-American. I have personal knowledge of the facts set forth below pertaining to the case pending in the United States District Court for the Middle District of Alabama, Eastern Division, styled Denise L. Smith v. Sears, Roebuck and Co., CV-05-1018-MHT. I give this Declaration voluntarily, without coercion and under penalty of perjury.

2. I was employed with Sears, Roebuck & Co., for fourteen (14) years. I have worked at Sears' store located in Auburn, Alabama, at the Village Mall since March 1990 until I voluntarily resigned in October 2004. From July 2003 until October 2004, I was the stores Instore Marketing Lead. As the Instore Marketing Lead, my duties included, but not limited to, supervising instore marketing associates, hiring and training associates, who worked in my department, counseling associates on their performance, completing weekly schedules for my department, along with the presentation look of the store, setups and takedowns of Sears's advertising, setting of plan-o-grams, price changes such as markups and markdowns, hanging of signing, and setting of displays. I reported directly to the Store General Manager ("SGM").

3. Sears has a Code of Conduct Policy that shows examples of unacceptable business and personal conduct that can lead to termination of employment include, but are not limited to violating associates discount policy; giving unauthorized markdowns to customers and associates. Using someone else's associate number when ringing sales. The policy also states that most of the time, good judgment will tell associates the right thing to do. This policy is clearly stated in Sears' Code of Conduct in the Sears' Associate Handbook. During my time of employment with Sears, we have never distributed nor

discussed the Sears Code of Conduct Policy annually with associates. A true and correct copy of Sears Code of Conduct Policy is attached to here as Exhibit A.

4. Sears offers various coupons to its customers. These coupons have terms and conditions written on them including what department area, the coupons should be used in and sometimes the product that the coupon should be applied towards. Most of the time it will state that the customer will have to use a Sears Credit Card.

5. During the last year of my employment at the Sears Auburn Store it was made a practice to reuse coupons out of register drawers for customers and employees regardless of what type of coupon it was. If the hand wand scans it or if the register accepts the manual input, it was okay with management. When coupons would not take through the register, the associate would page the Manager on Duty and we would go to that register to swipe or manually input our supervisor approval code, which was our social security number.

6. In August 2004, I witnessed Stephanie Darby, a white female, remove a \$30.00 coupon out of her register drawer in the appliances department to ring two (2) separate transactions for Terry Gandy, a white male to purchase a dishwasher and cook top. He told me that he was purchasing these items for his parents because they had purchased a home in Phenix City, Alabama. I didn't report this incident to upper management because this was a common practice that was set by management for the Sears Auburn Store.

7. To the best of my knowledge, management had no training on how to discard a coupon after the associate has retrieved the coupons from the customers nor would there be any documentation on file that will show there was any kind of training on coupon procedures while Kenny Reese, a white male, was the Store General Manager. We would sometimes give the customers their coupons back so they could reuse them. Management

including myself had knowledge on how coupons were actually being used at the Sears of Auburn Store. When store management had specific training or wanted to hold associates accountable, every associate including management would have to sign "I know it coupons".

8. Journal tapes can only be pulled from register within 30 days, but they are supposed to be pulled every night at the close of business. There again, we as management at the Sears Auburn Store failed to do our leadership duties and made this a common practice for associate's because we didn't question them on why they did or didn't follow Sears Corporate Policy? They all were lead or seemed to think that, if they pulled the journal tape at close of business, which was acceptable or if they didn't pull the journal tape at close of business, which was still acceptable also. I have personal knowledge that Terry Gandy and Kenny Reese could have done a complete and more thorough investigation.

9. Sears of Auburn store management has always given associates the access to pull up not only their customer information, but other associates customer information. They even allowed the associates in the Hardline area to take their blue books home which had customer information in it.

10. Sears of Auburn Store Management allowed for other associates to ring under other associates register/employee numbers.

11. Sears Code of Conduct Policy states that we deal fairly with everyone with whom we do business, whether a customer or associate. To maintain the trust, and respect of our customers and associates, we conduct business in an ethical manner each day. Sears Code of Conduct Policy also states to conduct yourself in a professional manner and to never discriminate against any associate or customer. Terry Gandy and Kenny Reese

violated this company policy. If they had completed a thorough investigation, they would have had to fire the whole store and this is including management, but instead Terry Gandy chose to investigate Denise Smith and Beatrice Willis because they were two (2) black trouble makers in appliances. We all used coupons whether it was a \$65.00 coupon or any other coupon. We all at some point have asked the associates, if they had any coupons in their drawer, so that we could save on our purchases. Management and associates were using coupons on a regular basis, whether it was for customers or associates.

12. In September 2004, I, in fact, heard Terry Gandy state to John Lawrie, "we are finally getting rid of the two (2) black trouble makers in appliances," and then John Lawrie said, "that's good."

13. Sears selling practices were to always do your work honestly and truthfully. Never misrepresent Sears's products or services. Sears policy also states that you may not mislead customers through false advertising claims. Kenny Reese did violate this company policy. I have personal knowledge that Kenny Reese would have some of my associates, himself, and me to make copies of expired coupons to distribute to all of the registers. We used the copies of expired coupons to help drive sales in the store and not only did the customers use these copies of expired coupons for purchases, the associates did too.

14. Kenny Reese would have my staff and me along with himself to create signs on sign writer machine to save \$20.00 on a purchase of \$49.99 and above in the dresses department to drive sales. This department was managed by Byron Mason and he was aware that this was going on. I would work setup and takedown per Sears advertising in

the appliance department, then Kenny Reese would come along and remove the sale signing to show regular price, but would create a sign saying save \$100 or whatever savings he would like for the sign to say. Sometimes it's already on sale for those savings anyways and sometimes he would mark the price up and create a sale sign to show savings. Kenny Reese did this in order to drive sales by misleading the customer. This was John Lawrie's department and he was aware that this was going on.

15. Kenny Reese, Terry Gandy, John Lawrie, and Byron Mason including myself have never trained associates annually in regards to the Associate Handbook. The only Associate Handbook that was issued was when a new associate was at the new hire orientation in which was given by, Nina Fitzwater, the Human Resource Lead, no other associate handbook was issued to employees that was already working for Sears Auburn Store while Kenny Reese was Store General Manager. The only meetings that were held, but not documented was when management wanted to let associates know whether sales were up or down, their performance on protection agreements (PA's), and Byron's favorite, credit applications; these meetings were held on Friday mornings because it was going into the weekend with a big sale. During this time they never discussed unauthorized discounts or policies while Kenny Reese was Store General Manager.

16. Kenny Reese went to lunch with Byron Mason, who is African American, (Assistant Store Manager of Softlines) and John Lawrie, a white male, (Assistant Store Manager of Hardlines) because they were his left and right hand managers. If Byron Mason were just a timecard or lead associate, Kenny Reese would not have gone to lunch with him because he was black.

17. Byron Mason once said to me that he thought that Kenny Reese had Carolyn Landers watching every move he made, when they both were scheduled during the same shift. He also stated because we were black, we need to be careful and watch each others back.

18. On November 1, 2004, the same day Beatrice Willis was terminated. I spoke with Byron Mason from Denise Smith's cell phone that night and Byron said that he was not aware that Beatrice was being terminated and that it was unfair and that Kenny would have to terminate the whole store because everyone was using coupons out of the register drawers.

19. When Human Resource and Hub Office merged together, Kenny Reese only was interested in placing Barbara McDonald, a white female, into a department, which happens to be in my area. He did not mention placing either Betty Graham nor Rosa Jackson, who were both African-Americans, to me. They were dedicated employees, who had a lot of years invested at the Sears Auburn Store. The only option that Betty Graham, a grand-fathered full time associate, had was to take severance pay and Rosa Jackson, a part time associate, did not have an option.

20. Numerous of times did Kenny Reese pass by my staff and me. He only spoke to Crystal Young by name, a white female, and didn't say anything to the blacks. On several occasions he would page Barbara McDonald to ask her to make sure something in a department area was done or to change the way a presentation was in which it would then be different from our zoneogram or presentation book. I would be in the store at the time he would page Barbara McDonald, but should have paged me because I was the

supervisor. I had black associates, who were familiar and had more experience in this department than Barbara McDonald did, but he didn't ask them because they were black.

21. When I would look over applications in the computer one thing I would look at is availability and work history. I looked more towards the applicant's availability because Sears is a business and we have to partially hire based on the company's need. I hired Crystal Young based on the time that she could work from her application, the verbal times that she said that she could work, and how well her interview went with me in determining that she would be the best person for the job. Kenny Reese stated to me that he was aware that I was scheduling Crystal Young at 6:00 a.m. and that I need to be careful with scheduling her so early in the morning because of her going to school. I would only schedule Crystal Young at 6:00 a.m. on the days that she could work; I never interfered with her school schedule. My observation was when it came to pretty white females such as Crystal Young, you could forget about the company availability needs.

22. I resigned from Sears because I could not take it any longer being around the discrimination atmosphere of Kenny Reese and Terry Gandy.

23. Sears Corporate Policy was not being followed by the Sears of Auburn Store, Unit 2595. The management staff was not good leaders at the Sears of Auburn Store. I was part of the Sears of Auburn Management Team, I was confused and was lead to believe that we (Sears Auburn Store) had our own set of policies and procedures, which were different from the other full-line stores. Denise Smith and Beatrice Willis were the top two (2) sales associates in the store; of course, they would have more use of coupons than the average and below average sales associates in their department. As managers we failed them, we allowed for them to use the \$65.00 coupons or any other coupons.

Denise and Beatrice did as the white associates did in appliance; it wasn't that they had committed any type of crime, Kenny and Terry just wanted to get rid of them so that Carolyn Landers could make more money. These were two great associates, who names meant something and stood out to the customers, they were dedicated and love doing their job. Sears has a process with disciplining associates and the process were for us as managers to train, coach, develop, and to discipline if needed to by using a performance plan for improvement (PPI).

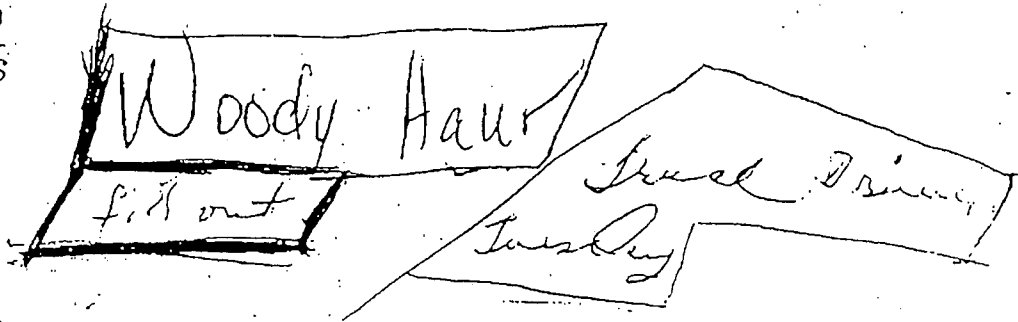
24. Kenny Reese being the Store General Manager and Terry Gandy being the Asset Protection Manager along with the rest of the management staff, we did not use good judgment, that's why associates didn't know the right thing to do. Kenny Reese set his own local store policy and neglected the policy that the company had set into place for us to follow.

25. I declare under the penalty of perjury that the foregoing is true and correct to the best of my knowledge.

7/21/06
DATE

Shannon Bryant
SHANNON BRYANT

SEARS
Human Resources



Hours

SEARS

ASSOCIATE HANDBOOK

Code of Conduct, Company Policies,
Benefits, Safety & Loss Prevention

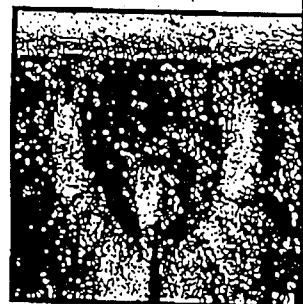
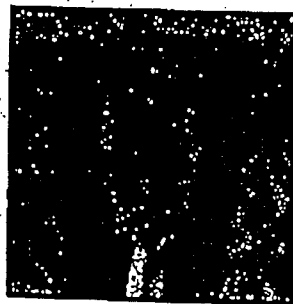
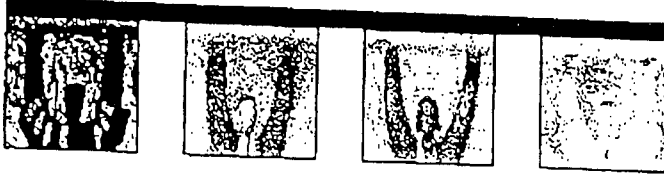


EXHIBIT
A

DEFENDANT'S
EXHIBIT

Code of Conduct



Business Conduct

What Does Proper Business Conduct Mean?

We are all responsible for treating each other, and our customers, as we ourselves wish to be treated. As part of the Sears family, we must commit to acting fairly and honestly at all times. These guidelines capture the spirit of that commitment.

Selling Practices

Always do your work honestly and truthfully. Never misrepresent Sears products or services.

Company Property and Records

Safeguard Sears merchandise, cash and Company records. Use Sears property, including information about our customers, suppliers, and Associates solely for business purposes. Maintain accurate documents, including the recording of time and transactions. The Company prohibits the use of any electronic recording device during conversations or meetings without the knowledge and consent of all parties to the conversation or meeting.

Safety and Environment

Help Sears be a safe place to work and shop. Help protect the environment by conserving resources. Take any issues of concern to your supervisor or manager.

Customer Focus and Respect

Treat Sears customers fairly and describe Sears products and services truthfully and accurately.

We deal fairly with everyone with whom we do business, whether a customer or Associate of, investor in, or

supplier to Sears. To maintain the trust and respect of our customers, shareholders, Associates, suppliers, communities and business partners, we conduct business in an ethical manner each day. We are committed to vigorous and lawful competition based strictly on the merits of our products and services. Each Associate is expected to be honest with customers. You may not mislead customers through unfair methods of competition, deceptive acts or practices, false advertising claims, or misrepresentations regarding competitors.

Conflicts of Interest

Act in the best interest of Sears and Sears customers. Avoid working for competitors unless approved by your manager. Do not accept gifts with a value in excess of \$25 from companies that do business with Sears unless approved by your manager.

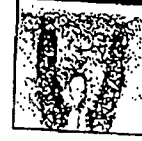
Political Activities

You may participate in personal political activity, but your involvement must be on an individual basis, on your own time, and at your own expense. You must make it clear that your views and actions are your own and not those of Sears.

Making the Right Call

The right choice isn't always the easy choice. Seek advice from your Unit Manager or call Associate Services at 1-888-88sears for clarification.

Code of Conduct



Guidance and Straight Answers

If you ever have an "ethical" concern, (i.e. theft, fraud, etc.) first consider approaching your Department Manager, Store Manager or Human Resources Representative. If you are not comfortable approaching in-store representatives with your concern, then our Office of Ethics and Business Practices can assist. Simply call 1-800-827-7478.

Ethics Communication Specialists are on duty 24 hours a day, 7 days a week. All calls are confidential. You do not have to give your name. The office will assign you a confidential case number for follow-up.

Personal Conduct

Conduct yourself in a professional manner. Never discriminate against any Associate or customer. Acts of violence, dishonesty, possession of a weapon, harassment, and use of alcohol or illegal drugs on Company premises will not be tolerated.

Sexual Harassment

For many years now, Sears has maintained a strong and clear policy prohibiting all forms of sexual harassment in the workplace. It is the policy of the Company that all Associates, of both sexes, be allowed to work in an environment free from sexual harassment and/or sex discrimination. This policy also applies to our conduct when dealing with customers.

Sexual harassment can take many forms, but simply defined, is any unwelcome conduct of a sexual nature. It includes unwelcome sexual advances, requests for sexual favors, other visual, verbal, or physical conduct of a sexual nature and other unwelcome conduct directed at an individual because of his or her gender or sexual orientation when a person's employment with Sears depends on submission to the conduct, submission to or rejection of the conduct affects employment decisions concerning the person; or such conduct unreasonably interferes with a person's work

performance or creates an intimidating, hostile or offensive work environment.

Forms of Sexual Harassment

Sexually harassing conduct includes, but is not limited to:

- repeated or unwelcome sexual flirtations, advances or propositions
- continued or repeated verbal abuse of a sexual nature
- graphic verbal commentaries about a person's body
- sexually degrading words used to describe an individual
- the display in the workplace of sexually suggestive objects or pictures
- other unwelcome conduct directed at an individual because of his or her gender
- Sexual harassment also encompasses all forms of retaliation against an Associate who has complained of sexually harassing conduct.

Any Associate who believes that he or she is being harassed should take the following steps:

- Explain the situation to your immediate supervisor.
- If you are not satisfied with your supervisor's response, or if you are uncomfortable speaking with your supervisor, immediately contact the supervisor's manager or your human resources representative.
- If you still feel that sufficient attention has not been given to your complaint, or if you are uncomfortable talking with someone in your unit, contact 1-888-88sears.

The Company will investigate all complaints of sexual harassment and take appropriate action. Any violation of this policy will result in disciplinary action up to and including termination.

Code of Conduct



Workplace Conduct

Most of the time, good judgement will tell Associates the right thing to do. But just for your information, the following are examples of business and personal conduct that can lead to termination of employment.

* Business Conduct

If you want to notify Sears of inappropriate business conduct, but are uncomfortable speaking with someone in your unit, contact the Office of Ethics and Business Conduct at 1-800-BASSIST.

* Examples of unacceptable business conduct include, but are not limited to:

- Theft or dishonesty
- Soliciting or accepting gifts (money or merchandise) in connection with a Company transaction of any kind
- Conducting other than Company business on Company property, or while engaged in Company business at a customer's home or business
- Committing, or attempting to commit, deliberate damage to Company property; advocating or taking part in unlawful seizure of, or trespassing on, Company property
- Violating Associate discount policy; giving unauthorized mark downs to customers/Associates
- Misusing Company resources, including but not limited to the misuse, personal, or nonwork-related use, alteration, theft, destruction, or unauthorized disclosure to a third party of computer resources, trade secrets or other confidential information
- Removing merchandise or Sears property from a unit without evidence of purchase
- * ○ Using someone else's Associate number when ringing sales
- * ○ Handling your own transactions or transactions for members of your family, including sales, refunds, cashing checks, and the like
- Failing to follow proper procedures for handling sales and cash
- Failure to follow Automotive wheel torque policy (Automotive)
- Working on your personal vehicle (Automotive)

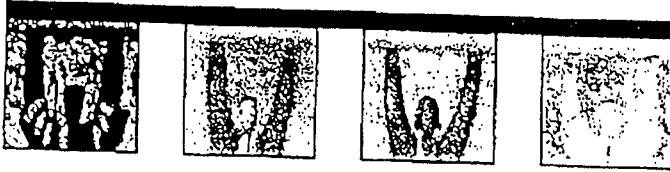
* Personal Conduct

If you want to notify Sears of inappropriate personal conduct but feel uncomfortable speaking with someone in your unit, contact a professional HR Consultant at Associate Services by calling 1-888-88sears.

* Examples of unacceptable conduct which can lead to termination include, but are not limited to:

- Unsatisfactory performance of your job
- Willful misconduct, including insubordination (disregarding legitimate directions from member of management)
- Disorderly conduct, including fighting with or assaulting other Associates or customers; reporting for work under the influence of liquor, drugs, or other stimulants, or consuming such substances while on Company premises
- Obtaining employment on the basis of false or misleading information
- Falsifying attendance by clocking in for another Associate, or permitting anyone else to clock in for you
- Excessive absences or tardiness, including absence from your job for two consecutive days without notifying your unit
- Failing to conduct yourself in a reasonable and businesslike manner with customers, fellow Associates, supervisors and management
- Harassing, insulting, or otherwise mistreating any fellow Associate or customer on the basis of that person's race/color, religion, sex, sexual preference/orientation, age, national origin, ethnicity, ancestry, disability or marital or veteran status
- Failure or refusal to participate in a Company investigation, or any attempt to interfere with or impede a Company investigation
- Suspension or revocation of driver's license (Automotive)

Code of Conduct



Workplace Violence

It is the policy of the Company to provide an environment in which all Associates are allowed to work – and all customers are allowed to shop – free from workplace violence. The term "workplace violence" covers many different actions which affect our fellow Associates, our customers, the workplace and Sears. While we may not always agree with our fellow Associates, customers, or decisions made by Sears, we are all expected to act professionally no matter what our position or level of authority. We must treat everyone with dignity and respect, and adhere to the fundamental values and principles outlined in our Code of Conduct. By dealing honestly, responsibly and fairly with everyone with whom we do business, we will do our part in creating a safe working and shopping environment.

Workplace violence is defined as:

Any direct or implied threat, intentional act or other conduct that would arouse fear, hostility, intimidation or the apprehension of harm in another person for his/her safety, the safety of his/her family, friends, co-workers, employer or property. The policy applies to threats or other conduct that:

- occurs on Company premises
- occurs during the course of Company business
- occurs through the use of Company property
- involves other Associates, and/or
- affects Sears business interests

The policy also includes the no weapons policy.

Examples of Workplace Violence

Acts of violence, including, but not limited to the following, will not be tolerated:

- Bringing or using weapons of any kind at any time while on Company property, including parking lots, or while engaged in conducting Company business.
- Starting or participating in a physical or verbal fight. Punching, slapping, abusive use of profanity or any type of assault on another person.
- Participating in dangerous horseplay of any kind.
- Threatening or intimidating another person in any manner.

An Associate who has a concern regarding safety in the workplace is encouraged to immediately report such concern to his/her Unit Manager, or directly to the Human Resources Department. The Company will investigate all complaints and take all appropriate action necessary, including criminal prosecution if applicable.

Any Associate who is found to have violated this policy is subject to disciplinary action up to and including termination.